426 two tang of rice are required to pay at harvest time for one tang of rice borrowed during the cash-scarce work season; and (b) Toq raeng wherein an advanced payment of say 10 - 15 baht is made for a promise to harvest one rai of paddy which normally brings in a cash wage of 25 - 30 baht payable on the day the work is done.

Scarcity of credit and the consequent high interest rates naturally discourage productive investment, for those who need operating capital certainly cannot afford to pay for these high rates of interest and those who have cash at all would do much better by straight lending.

426 • 471 184 Scarcity of cash and credit in the village is a blow especially to the marginal farmers who comprise the majority of Bangchan operators. These are farmers with a low index of capital formation potential who are often found among the land-thirsty category of operators. It has been pointed out that farmers with a high index of capital formation potential could more easily adjust their credit situation and thus are able to avoid high interest bearing debts. The marginal farmers, on the other hand, cannot do likewise. Scarcity of cash and credit and its consequences -- high interest rates and discounts and premiums of various forms -- have certainly put these marginal farmers at a most disadvantageous spot of receiving less for the same unit of labor and product and of having to pay more for the same unit of goods. Under this circumstance, the gap between the affluent and the less affluent farmers is ever increasing.